

EXHIBIT J

1
2
3 UNITED STATES DISTRICT COURT
4 FOR THE NORTHERN DISTRICT OF CALIFORNIA
5 SAN FRANCISCO DIVISION
6 Case No. 3:21-md-02981-JD

7 -----x

8 IN RE GOOGLE PLAY STORE
9 ANTITRUST LITIGATION

10 THIS DOCUMENT RELATES TO:

11 Epic Games Inc. v. Google LLC, et al.,

12 Case No: 3:20-cv-05671-JD

13 In re Google Play Consumer

14 Antitrust Litigation,

15 Case No: 3:20-cv-05761-JD

16 In re Google Play Developer

17 Litigation,

18 Case No: 3:20-cv-05792-JD

19 State of Utah, et al.,

20 v. Google LLC, et al.,

21 Case No: 3:21-cv-05227-JD

22 Match Group, LLC, et al.,

23 v. Google LLC, et al.,

24 Case No. 3:22-cv-02746-JD

25 -----x

September 22, 2022

9:07 a.m.

26 ** H I G H L Y C O N F I D E N T I A L **

27 Videotaped Deposition of ARMIN ZERZA,
28 taken by Plaintiffs, pursuant to Notice,
29 held via Zoom videoconference, before Todd
30 DeSimone, a Registered Professional
31 Reporter and Notary Public.

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2 The payment system is an integral part of
3 the store, like you go to a physical store,
4 you need a place to pay, whether that is
5 through a cashier or through a
6 self-checkout, in the same ecosystem, in a
7 digital ecosystem, the payment system is
8 part of the store.

9 Q. And had you had your own mobile
10 app store, you then could have explored
11 having your own payment system, correct?

12 A. I'm not following the logic.
13 We would not launch a store with our own
14 payment system. It doesn't make any sense.

15 Q. You would not launch a store
16 without your own payment system, is that
17 what you said?

18 A. Without a payment system in
19 general, yeah. It doesn't make any sense.
20 What store has no payment system? You see,
21 that's why I'm not following your logic.
22 If we launched a store we would also
23 include a payment system, whether that is
24 our own or a third-party system.

25 Q. Currently you have -- you don't

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2 have your own payment system, correct, on
3 mobile, on Android?

4 A. So we do have -- we do have our
5 own distribution system on PC, as you know,
6 with Battle.net. We do not have our own
7 distribution or payment system on mobile.

8 Q. And what do you use on Android?

9 A. Today we use Google Play as our
10 store in many, many different countries.
11 We use a store called ONE Store in Korea.
12 In China, there is a variety of stores that
13 we are using. So I don't recall all the
14 names.

15 Q. And when you use Google Play,
16 you use Google's payment system, right?

17 A. When we use Google Play, yeah,
18 of course.

19 Q. Okay. So you had this e-mail
20 exchange with Mr. Sweeney from May 9th,
21 2019 to June 27th, 2019, correct?

22 A. One second. I'm just checking
23 the dates here. Yeah, that's correct.

24 Q. And you made an effort to be
25 accurate and honest in your communications

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2 its own mobile game store have accelerated
3 revenue and operating income for the
4 company?

5 A. In fact, we didn't pursue it,
6 because we didn't -- it did not lead to,
7 you know, any conclusion that we would be
8 able to do that.

9 Q. I understand. How would
10 Activision having its own mobile game store
11 have accelerated revenue and operating
12 income from the company should it have been
13 pursued?

14 MR. KWUN: Objection, form.

15 A. I just gave you the answer. We
16 didn't pursue it.

17 Q. I understand you did not pursue
18 it. My question is how would it have done
19 that had it been pursued?

20 MR. AMATO: Objection.

21 MR. KWUN: Objection, form.

22 A. I cannot give you a different
23 answer than I just gave you.

24 Q. Okay. When you said earlier
25 that your understanding of more favorable

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2 economics was that one of the reasons for
3 considering a mobile game store is that it
4 would help the company earn more revenue
5 and operating income, how did you envision
6 it would have done that?

7 A. We look at many different
8 projects across, you know, over time with
9 the intent to, you know, drive shareholder
10 value. One of these projects, there were
11 many others, was this one, and ultimately
12 we decided not to pursue it because it
13 didn't -- it did not deliver the return
14 that we would expect on this type of
15 project. So that's what I can say. I
16 can't tell you how it would have done it,
17 because it didn't do it.

18 Q. When you were considering doing
19 it, how did you -- what was your hypothesis
20 as to how it would lead to more favorable
21 economic terms?

22 A. I don't recall.

23 Q. Was one way the economic terms
24 would have been more favorable is you would
25 have avoided paying the fee to Google for

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2 the revenue share from the Google Play
3 Store?

4 A. First of all, I don't recall
5 that specifically. What I do recall is
6 that we looked at distribution, you know,
7 across mobile ecosystems, including
8 creating our own one, and the irony of the
9 whole ecosystem is that, you know,
10 depending on the size and scale of the
11 respective outcome, you know, obviously the
12 fixed costs invested in the ecosystem can
13 drive higher costs or lower costs.

14 So, you know, obviously our
15 expectation, you know, would have been at
16 the beginning of the project that we would
17 get better economics, but it didn't turn
18 out to be.

19 Q. And is one of the ways that you
20 would have gotten better economics at least
21 hopefully at the beginning of the project
22 was, you know, reducing or eliminating the
23 rev share that you paid to Google for
24 in-app purchases?

25 THE WITNESS: Was that an

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2 objection? I didn't hear that.

3 MR. KWUN: Sorry, I was just
4 clearing my throat.

5 THE WITNESS: Okay, I thought
6 somebody said something.

7 A. So I can't give you that answer
8 because it depends on what our operating
9 costs for the ecosystem is, and our
10 operating costs for the ecosystem could be
11 higher or lower, right?

12 So, you know, the hypothesis,
13 when you start a project like this, is that
14 there may be an opportunity to accelerate
15 revenue and operating income for the
16 company in a meaningful way, which didn't
17 turn out to be the case in this case.

18 Q. Do you see on this document it
19 says "Currently, we see two potential paths
20 to improve mobile distribution economics
21 and both are being pursued in parallel"?

22 A. I do see that, yes.

23 Q. And that was true for Project
24 Boston as of December 12th, 2019?

25 A. We were working on -- so as I

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2 mentioned before, we were in discussions
3 with Google at that time and beyond that
4 time, and we were looking at Project Boston
5 at that time and beyond that time. We
6 continue to look at Project Boston today.

7 Q. And the first path being
8 pursued were enterprise negotiations with
9 Google first. Do you see that?

10 A. I do see that, yeah.

11 Q. And that's what you just
12 referred to in your discussions with
13 Google?

14 A. What I did say is that, you
15 know, we evaluated and we continue to
16 evaluate many different options to
17 accelerate revenue and income growth. At
18 the time we were talking to Google about an
19 enterprise-wide deal, which we obviously
20 signed with Google in early 2020. At the
21 time we were also looking at our own mobile
22 distribution ecosystem, among many other
23 projects.

24 Q. And according to this document,
25 the enterprise negotiations with Google

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2 were one path to securing more favorable
3 mobile game economics, correct?

4 A. Let me see. I'm looking at
5 this here. That's what the document says.
6 I don't know what the author implies here.
7 So, again, I haven't authored this document
8 so I can't speak to what the author
9 implies.

10 Q. But that is also consistent
11 with your general understanding that one of
12 the things you were doing in December 2019
13 was attempting to secure better mobile
14 economics for Activision through enterprise
15 negotiations with Google, correct?

16 A. That's not what I said. What I
17 said is that we were working on an
18 enterprise deal with Google which -- the
19 objective of which was to create more value
20 for both parties in a material way,
21 otherwise, you know, we are all
22 multi-billion-dollar companies, we wouldn't
23 work on any of those projects.

24 The enterprise deal was, again,
25 you know, across all the areas that we

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2 discussed before, you know, and ultimately
3 that was important for us. But, you know,
4 we had significant value creation on both
5 sides and that's why we did the deal.

6 Q. And part of the value creation
7 that Activision was pursuing in its
8 enterprise negotiations with Google were
9 more favorable mobile economics, correct?

10 A. I'm thinking about this,
11 because the primary intent of the deal was
12 to ensure that we create significant value
13 for both sides. That's a win-win
14 partnership. In fact, the deal that we
15 signed, you know, there is no change in
16 royalties. It has many components that
17 create value.

18 So I don't know how to answer
19 your question, because the primary
20 objective for us is over value creation,
21 you know, and each individual component,
22 you know, has changed over time as the
23 discussion -- as the discussions evolved.

24 Q. I think my question is pretty
25 simple. It is as follows: Part of the

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2 value creation that Activision was pursuing
3 in connection with its enterprise
4 negotiations with Google was improved
5 mobile economics, correct?

6 A. I do not recall that specific
7 objective. Our specific objective was to
8 create value for both companies overall in
9 a way that accelerates value creation for
10 both companies. That's the value
11 objective. That's the way the deal was
12 constructed.

13 Q. And you see, referring back to
14 the document, that the second path to
15 achieve improved mobile distribution
16 economics was the development of a direct
17 to consumer mobile distribution platform
18 that bypasses existing storefronts? Do you
19 see that?

20 A. I do see that, yes.

21 Q. And then there are two options
22 underneath that, an ABK storefront only and
23 an ABK storefront with other external
24 publishers and developers. Do you see
25 that?